

VZCZCXR06251
PP RUEHAG RUEHROV RUEHSR
DE RUEHBS #0809/01 1621035

ZNY CCCCC ZZH
P 111035Z JUN 09
FM USEU BRUSSELS

TO RUEHC/SECSTATE WASHDC PRIORITY
INFO RUCNMEU/EU INTEREST COLLECTIVE PRIORITY
RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUEHBW/AMEMBASSY BELGRADE PRIORITY
RUEHPS/AMEMBASSY PRISTINA PRIORITY
RUCNDT/USMISSION USUN NEW YORSFIZQQQX\IASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RHMFITT/CDR USEUCOM VAIHINGEN GE PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 BRUSSELS 000809

NOFORN
SIPDIS

E.O. 12958: DECL: 06/09/2019
TAGS: PREL EUN SR KK
SUBJECT: EU OFFICIALS ON NEXT STEPS IN KOSOVO

Classified By: CDA Christopher Murray for reasons 1.4 (b) and (d).

¶1. (C/NF) Summary: International Civilian Representative Pieter Feith and EULEX Kosovo Head of Mission Yves de Kermabon met with USEU CDA on June 10 to provide an overview of upcoming challenges and opportunities in the country. Suggesting that the coming months would be "decisive," Feith said that his top priority was integrating Kosovo's Serb community into the country. To do so, Feith said that encouraging Serb participation in municipal elections, completion of the Government of Kosovo's decentralization plan, and protection of cultural sites would be essential. Feith also reported that easing out the UN's presence in the north was important, with municipalities, rather than EULEX, stepping up to fill any political void. De Kermabon highlighted that dealing with Kosovo's north and fighting against organized crime and corruption would be the key challenges for EULEX moving forward. Following de Kermabon's suggestion that Serbia "controlled everything in the north," Civilian Planning and Conduct Capability Commander Kees Klompenhouwer suggested that visa liberalization for Serbia be contingent upon full cooperation with EULEX and asked that the U.S. suggest to the European Commission that the USG also shares this view.

¶2. (C/NF) Summary (cont'd) Speaking broadly, Feith observed that while the U.S. sees stability as the priority for Kosovo and elsewhere in the Balkans, many EU officials view Kosovo through the lens of a "European perspective" that stresses development of civil institutions that can qualify these countries for eventual EU membership. End Summary.

Progress and Challenges in the Political Arena

¶3. (C/NF) International Civilian Representative (ICR) Pieter Feith and EULEX Kosovo Head of Mission (HOM) Yves de Kermabon briefed EU and NATO officials in Brussels on developments in Kosovo June 9-10. On June 10, Feith, de Kermabon and Civilian Planning and Conduct Capability (CPCC) Commander Kees Klompenhouwer met with USEU Charge and Poloff to provide a readout of their discussions and an overview of upcoming challenges and opportunities in the country. Suggesting that the coming months would be "decisive," Feith said that his top priority would be to integrate Kosovo's Serb community into the country. To do so, Feith said that encouraging Serb participation in municipal elections, completion of the Government of Kosovo's (GoK) decentralization plan, and protection of cultural sites would be essential. Feith saw this as "an International Civilian Office (ICO) and EU responsibility."

¶4. (C/NF) Concerning the north, Feith reported that he was

not convinced that EULEX becoming involved in civil administration and other tasks was a good idea for operational reasons. According to Feith, "running down" the UN's presence in the north was essential as its staff - mostly Russian, Ukrainian, and Belarusian - operated "in league" with Serb parallel structures. To address the situation without destabilizing it, Feith suggested that municipalities - not EULEX - should take over for the UN as envisioned in the Ahtisaari Plan. In addition to fostering local ownership and unity, Feith said that an added benefit would be that EULEX's OPLAN would not have to be reopened, something both Feith and Klompenhouwer said should be kept in mind.

¶5. (C/NF) Stressing that EULEX was a technical mission, de Kermabon added that EULEX had enjoyed success in the north because of its efforts to seek pragmatic solutions and by not becoming identified with UNMIK. De Kermabon worried that if EULEX were forced to insert itself into the political arena, cooperation with Kosovo Serbs and Belgrade would grind to a halt. Feith reported that Serbs in the north increasingly sought ICO's assistance (through its South Mitrovica office) for ID cards, social benefits, and other forms of assistance. Noting "an increasing openness on the part of Kosovo Serbs to engaging Kosovo institutions," Feith said that it was essential to continue fostering this trend. He reported the financial crisis and Serbia's inability to continue funding Serb parallel structures in the north to be helping in this process. Kosovo Serbs were rethinking engagement with GoK structures as a result.

BRUSSELS 00000809 002 OF 003

¶6. (C/NF) Saying that in addition to stability the EU sought to prepare Kosovo for eventual integration into the union, Feith argued that better governance was essential to Kosovo's future. To advance this in the north, Feith said that it was essential to ease out the UN's presence. Since funding for the UN's presence in the north is partly paid for out of the Kosovo budget, Feith suggested one possibility would be for the GoK to seek an audit of UN expenditures in the north. Any inconsistencies would lead to negative publicity and, hopefully, a UN departure. If this and other decentralization efforts succeed, a municipal preparatory team (under GoK auspices and assisted by the ICO) could step in to serve Kosovo's Serb population.

¶7. (C/NF) Returning to economic challenges, Feith said that there was no disagreement among the U.S., World Bank, and European Commission on how to privatize the energy sector. He said that if progress were not made soon, the GoK would be vulnerable as Kosovo's budget would be "burdened seriously." (Note - Feith said that this would be discussed on the fringes of the upcoming ISG meeting.) Concerning a drop in remittances, Feith reported that there was a lag effect and any drop would most likely not be visible until the end of the year. Encouraged by Kosovo's gaining membership in the World Bank and IMF, Feith said that the ICO was assisting Kosovo move toward the EBRD. Reporting that Greece, Spain or Slovakia would have to change their views in order to make this a reality, Feith said that he was hopeful Greece would change and was heartened by the Spanish Ambassador's comment to him that Spain was "looking at the modalities."

Progress and Challenges in Rule of Law

¶8. (C/NF) Klompenhouwer said that he fully supported de Kermabon's step-by-step approach and suggested that if the mission were to push too hard, the resulting backlash would "bring things to a standstill." Reacting to suggestions that EULEX needed to move faster and was not active enough, Klompenhouwer said that he was "irritated" by the GoK's attitude. Saying that the GoK had become less cooperative and resisted reform efforts, Klompenhouwer added that the GoK needed to accept that it, too, was a focus of the mission,

not just the north. According to Klompenhouwer, the GoK's tactic was "to point to the north and tell us to move quickly" while seeking to deflect any attention paid it.

¶9. (C/NF) De Kermabon highlighted two priorities for EULEX: how to deal with Kosovo's north and the fight against organized crime and corruption. According to de Kermabon, "Belgrade controls everything in the north and they can do something if they decide to." Providing insights into recent efforts in the areas of policing, customs, and the courts, de Kermabon said that when Belgrade perceived an EULEX-led effort as win-win, Kosovo Serbs were cooperative. However, when EULEX efforts sought to address anything perceived by Belgrade as touching on sovereignty, "they hesitate." De Kermabon said that organized crime and corruption were a challenge throughout the country and, despite good cooperation with the GoK, things were "becoming more difficult," any efforts to investigate finances and corruption becoming "very difficult."

¶10. (C/NF) To address the challenges EULEX faces in the north, Klompenhouwer characterized possible visa liberalization for Serbia as "a big carrot" and suggested that realizing this would be the "single best gain for the government." He reported that the Council Secretariat was currently in discussion with the Commission seeking to include full cooperation with EULEX and border management as "price tags" for visa liberalization. Klompenhouwer suggested that the help of the U.S. - also suggesting to the Commission that it would be useful if visa liberalization for Serbia came with a price - would be appreciated.

¶11. (C/NF) De Kermabon reported that EULEX staffing would remain consistent with current levels. Concerning U.S. judicial applicants, de Kermabon said "we will find one to two judge positions for U.S. judges" and reported that the mission was also carefully considering a U.S. candidate to lead the organized crime cell.

MURRAY

BRUSSELS 00000809 003 OF 003

.